TRINIDAD CEMENT LIMITED

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011

CONSOLIDATED STATEMENT OF EARNINGS

TT$'000	UNAUDITED Three Months Jul to Sep		UNAUDITED Nine Months Jan to Sep		AUDITED Year Jan to Dec
	2011	2010	2011	2010	2010
CONTINUING OPERATIONS:					
REVENUE	**398,307**	**371,070**	**1,157,819**	**1,202,349**	**1,561,084**
Operating (Loss)/Profit from Continuing Operations	(34,366)	(65,850)	(72,681)	34,909	3,026
Foreign exchange (loss)/gain	(482)	(1,233)	(1,910)	4,639	2,971
Finance costs on debt restructuring	(6,186)	–	(24,500)	–	–
Finance costs – net (excluding debt restructuring costs)	(39,818)	(39,825)	(118,880)	(117,466)	(151,335)
(Loss) before Taxation	**(80,852)**	**(106,908)**	**(217,971)**	**(77,918)**	**(145,338)**
Taxation	27,266	41,318	76,653	52,296	69,264
(Loss) after Taxation from Continuing Operations	**(53,586)**	**(65,590)**	**(141,318)**	**(25,622)**	**(76,074)**
DISCONTINUED OPERATIONS:					
Loss after Taxation from Discontinued Operations	–	(2,959)	(717)	(3,987)	(4,253)
Gain on Sale of Discontinued Operations	–	(8,949)	10,169	-	-
	–	(11,908)	9,452	(3,987)	(4,253)
Total (Loss) after Taxation	**(53,586)**	**(77,498)**	**(131,866)**	**(29,609)**	**(80,327)**
Attributable to:					
Shareholders of the Parent	(42,485)	(55,134)	(105,160)	(7,693)	(48,549)
Non-controlling Interests	(11,101)	(22,364)	(26,706)	(21,916)	(31,778)
	(53,586)	**(77,498)**	**(131,866)**	**(29,609)**	**(80,327**
Basic and diluted (Loss)/Earnings per Share – cents:					
From Continuing Operations	(18)	(20)	(46)	(2)	(18)
From Discontinued Operations	–	(3)	3	(1)	(2)
	(18)	**(23)**	**(43)**	**(3)**	**(20)**
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	**5,625**	**(29,566)**	**48,560**	**144,537**	161,917

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months Jul to Sep		UNAUDITED Nine Months Jan to Sep		AUDITED Year Jan to Dec
	2011	2010	2011	2010	2010
(Loss) after Taxation	**(53,586)**	**(77,498)**	**(131,866)**	**(29,609)**	**(80,327)**
Currency translation	(409)	310	689	14,337	22,657
Change in fair value of swap, net of tax	–	(3,615)	22,984	(9,845)	(4,085)
	(53,995)	(80,803)	(108,193)	(25,117)	(61,755)
Attributable to:					
Shareholders of the Parent	(42,875)	(59,437)	(81,552)	(4,286)	(35,181)
Non-controlling Interests	(11,120)	(21,366)	(26,641)	(20,831)	(26,574)
	(53,995)	**(80,803)**	**(108,193)**	**(25,117)**	**(61,755)**

DIRECTORS' STATEMENT

Performance

For the 3rd quarter 2011 Group Revenue increased by $27m or 7% to $398m compared with the prior year quarter. Domestic cement sales volumes in Jamaica and Trinidad were 14% and 7% higher, with Barbados flat, than the comparative period, whilst export sales volumes increased by 47%. As a consequence, Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was a positive $5.6m compared with negative $29.6m of the prior year period. In the prior year quarter, there was an extended stoppage of the kiln in Jamaica. However, in 2011 Q3, fuel and electricity prices in Jamaica and Barbados were significantly higher and continued to have a major negative impact on net operating margins. In addition, the Group recorded higher interest expense in accordance with the agreed terms of its debt restructuring.

For the nine months ended September 30, 2011, Group Revenue was $1.158 billion compared with $1.202 billion of the prior year period. EBITDA was $48.6m compared with $144.5m for 2010 reflecting higher expenses for fuel and electricity of $52m and repairs and maintenance of $15m and lower domestic sales volume of 20k than the prior year period. Fuel and electricity prices were 23% and 47% higher for Jamaica whilst for Barbados they were 26% and 36% higher than in the comparative prior year period. Further, the absence of credit lines and the ability to establish Letters of Credit hindered continuous operations in Jamaica and Barbados in the nine months. The Group has recorded additional interest expenses of $24.5m as a result of the terms of its debt re-profiling agreed with lenders. Reflecting the factors above, Losses per Share amounted to 43 cents compared with 3 cents of the prior year period.

For the nine months ended September 30, 2011, Cash from Operations amounted to $53.1m compared with $168.6m of the prior year period, as a result of lower EBITDA generation. As a consequence of the moratorium on interest and principal repayment, the Group was able to improve its net cash position by $36m compared with a decline of $90.5m in the prior year period.

Outlook

The Group has reached agreement in principle with the Steering Committee of lenders on the terms for the re-profiling of its debt. Currently, various approvals are being sought whilst the legal agreements to effect the re-profiling are being drafted and it is anticipated they will be signed in January 2012. Upon approval by all relevant parties of the terms of the restructuring, related fees and costs estimated at $113m will be charged to the statement of earnings. A Special Shareholders Meeting will be convened in the near term to seek shareholder consent for various measures required for the re-profiling.

The Group continues to pursue high value export markets in order to supplement domestic markets which are slowly improving whilst cost cutting and efficiency measures are being implemented.

Andy J. Bhajan

Andy J. Bhajan
Group Chairman
November 11, 2011

Dr. Rollin Bertrand
Director/Group CEO
November 11, 2011

Notes:

1. Accounting Policies

Accounting policies used in the preparation of these financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2010.The Group has adopted all the new and revised accounting standards and interpretations that are mandatory for annual accounting periods beginning on or after January 01, 2011 and which are relevant to the Group's operations. The adoption of these standards and interpretations did not have any material effect on the Group's financial position or results.

2. Earnings Per Share

Earnings per Share (EPS) is calculated by dividing the net profit attributable to shareholders of the Parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue for the period has been determined by deducting from the total number of issued shares of 249.765m, the 4.121M (2010: 4.294m) shares that were held as unallocated shares by our ESOP.

3. Segment Information

Management's principal reporting and decision making are by product and accordingly the segment information is so presented.

4. Going Concern

At the 2010 year end, Trinidad Cement Limited (TCL) was not in compliance with certain loan ratio requirements and as such was in default of its obligations under the various loan agreements. On 14 January 2011, TCL declared a moratorium on all debt service payments following which payments have not been made. TCL commenced negotiations with its lenders for a re-profiling of its debts and has agreed in principle with lenders on the terms and structure of the re-profiling. However, until the re-profiling agreements are executed the lenders have retained their rights to enforcement of their security which includes all the major productive assets of TCL and the Group. Accordingly, there is a material risk that TCL and the Group may not be able to continue as a going concern should lenders enforce their security.

TCL and the Group are pursuing a number of new sales contracts which have the potential to return to profitability its Jamaica and Barbados subsidiaries whilst cost savings strategies are being implemented across the Group. The directors have a reasonable expectation that TCL and the Group will have, from the outlined plans and strategies, adequate cash flows and profitability that will allow TCL and the Group to continue in operational existence in the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	UNAUDITED 30.09.2011	UNAUDITED 30.09.2010	AUDITED 31.12.2010
Non-Current Assets	3,248,741	3,226,927	3,343,685
Current Assets	840,444	807,953	777,236
Current Liabilities	(2,280,040)	(954,449)	(2,137,406)
Non-Current Liabilities	(396,523)	(1,522,778)	(466,203)
Total Net Assets	**1,412,622**	**1,557,653**	**1,517,312**
Share Capital	466,206	466,206	466,206
Reserves	880,251	989,247	958,701
Equity attributable to Shareholders of the Parent	**1,346,457**	**1,455,453**	**1,424,907**
Non-controlling Interests	66,165	102,200	92,405
Total Equity	**1,412,622**	**1,557,653**	**1,517,312**

CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED Nine Months Jan to Sep 2011	UNAUDITED Nine Months Jan to Sep 2010	AUDITED Year Jan to Dec 2010
(Loss) before Taxation from Continuing Operations	**(217,971)**	**(77,918)**	**(145,338)**
Gain on sale of Discontinued Operations	10,169	–	–
(Loss) from Discontinued Operations	(717)	(3,987)	(4,253)
(Loss) before Taxation	**(208,519)**	**(81,905)**	**(149,591)**
Adjustment for non-cash items	261,717	250,219	331,159
	53,198	168,314	181,568
Changes in working capital	22,938	(1,677)	30,922
	76,136	166,637	212,490
Net Interest, taxation and pension contributions paid	(20,033)	(125,339)	(173,650)
Net cash generated by operating activities	56,103	41,298	38,840
Net cash used in investing activities	(18,330)	(42,553)	(55,451)
Net cash generated by/(used in) financing activities	40,374	(89,282)	(42,877)
Increase/(Decrease) in cash and cash equivalents	78,147	(90,537)	(59,488)
Currency adjustment – opening balance	45	275	(6,381)
Cash and cash equivalents – beginning of period	(86,565)	(20,696)	(20,696)
Cash and cash equivalents – end of period	**(8,373)**	**(110,958)**	**(86,565)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	UNAUDITED Nine Months Jan to Sep 2011	UNAUDITED Nine Months Jan to Sep 2010	AUDITED Year Jan to Dec 2010
Balance at beginning of period	**1,424,907**	**1,459,739**	**1,459,739**
Currency translation and other adjustments	624	13,252	17,453
Allocation to employees and sale of ESOP shares, net of dividend	3,102	–	24
Change in fair value of swap, net of tax	–	(9,845)	(4,085)
Transfer of swap to current assets on termination	22,984	–	–
(Loss)/Profit after taxation	(105,160)	(7,693)	(48,549)
Dividends forfeited	–	–	325
Balance at end of period	**1,346,457**	**1,455,453**	**1,424,907**

SEGMENT INFORMATION

TT$ '000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED NINE MONTHS JAN TO SEP 2011					
Revenue					
Total	1,265,496	86,538	68,090	–	1,420,124
Intersegment	(202,093)	–	(60,212)	–	(262,305)
Third Party	1,063,403	86,538	7,878	–	1,157,819
(Loss)/Profit before tax from Continuing Operations	(222,124)	(7,647)	6,386	5,414	(217,971)
Depreciation	117,098	6,601	1,612	(4,293)	121,018
Segment Assets	4,741,040	161,601	114,830	(928,286)	4,089,185
Segment Liabilities	3,253,336	61,858	38,927	(677,558)	2,676,563
Capital expenditure	26,109	1,357	–	–	27,466
UNAUDITED NINE MONTHS JAN TO SEP 2010					
Revenue					
Total	1,294,609	112,929	69,829	–	1,477,367
Intersegment	(212,783)	–	(62,235)	–	(275,018)
Third Party	1,081,826	112,929	7,594	–	1,202,349
(Loss)/Profit before tax from Continuing Operations	(95,228)	(946)	9,726	4,543	(81,905)
Depreciation	121,040	7,747	1,726	(4,045)	126,468
Segment Assets	4,465,125	172,994	107,662	(710,901)	4,034,880
Segment Liabilities	2,791,536	69,479	34,886	(418,674)	2,477,227
Capital expenditure	39,477	2,776	300	–	42,553
AUDITED YEAR JAN TO DEC 2010					
Revenue					
Total	1,677,203	138,525	89,387	–	1,905,115
Intersegment	(265,211)	-	(78,820)	–	(344,031)
Third Party	1,411,992	138,525	10,567	–	1,561,084
(Loss)/Profit before tax from Continuing Operations	(158,129)	(3,416)	10,764	5,443	(145,338)
Depreciation	159,930	9,211	2,262	(5,428)	165,975
Segment Assets	4,563,411	165,812	118,494	(726,796)	4,120,921
Segment Liabilities	2,996,377	65,581	47,594	(505,943)	2,603,609
Capital expenditure	57,478	5,518	677	–	63,673